

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6759

BILL NUMBER: HB 1156

NOTE PREPARED: Jan 2, 2010

BILL AMENDED:

SUBJECT: Fire Service Fees.

FIRST AUTHOR: Rep. Cheatham

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Optional Fire Service Fee-* The bill provides that a county fiscal body may adopt an ordinance authorizing fire departments in the county to establish an optional fire services fee (optional fee). The bill requires that the ordinance must specify the amount of the optional fee. The bill provides that if a county body adopts such an ordinance, any fire department in the county may establish a program under which a person may pay the optional fee on certain property. The bill specifies that a person that owns or rents: (1) a homestead; (2) real property that has at least one and not more than four rental units; or (3) a mobile home assessed as personal property; is eligible to pay the optional fee on that property. The bill provides that if a person pays to a fire department an optional fee for a particular property, a fee, service charge, user fee, or other reimbursement charge may not be imposed on that property or the person because of a specific fire protection service run or response made by the fire department to the property.

Fire Service Fee Liens- The bill provides that a fire service fee that: (1) is imposed, charged, or assessed for a specific fire protection service run or response made after June 30, 2010, by a fire department to real property; and (2) is more than 90 days delinquent; constitutes a lien against that real property. The bill specifies that the lien attaches when notice of the lien is recorded in the office of the county recorder in which the real property is located. The bill provides that the amount of such a lien shall be placed on the tax duplicate by the auditor.

Collection Method- The bill provides that the total amount, including any accrued interest, shall be collected in the same manner as delinquent taxes are collected and shall be disbursed to the political subdivision, fire protection territory, fire protection district, or fire department that imposed, charged, or assessed the fire service fee. The bill specifies that a fire service fee is not enforceable as a lien against a subsequent owner of property unless the lien for the fire service fee was recorded with the county recorder before conveyance

to the subsequent owner.

Effective Date: Upon passage; July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Optional Fire Service Fee-* Local revenues may increase if optional fire service fees are adopted. However, given that the fee would be strictly voluntary, the amount of revenue would be determined by the set fee and the number of property owners that voluntarily pay the fee.

Fire Service Fee Liens- The proposal could increase the amount of revenue received from fire fees that otherwise could go unpaid. The impact of this proposal to local revenues is indeterminable and would depend on local action.

The county recorder would attest to the assignment of liens on property and charge the fire service provider with the recorder fees. The fees are \$6 for the first page filed (assuming it is 8 ½ inches in length) and \$2 for each subsequent page. A \$1 attest fee is also charged for each lien assigned.

Collection Method- The county auditor would collect the liens in the same manner that delinquent property taxes are collected on property.

State Agencies Affected:

Local Agencies Affected: Fire protection services, county recorder, county auditor.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.